

ID: CCA-412308-13

UILC: 761.02-00

Number: **201411035**

Release Date: 3/14/2014

From:

Sent: Friday, April 12, 2013 3:08 PM

To:

Cc:

Bcc:

Subject: RE: partnership questions --

When an entity is owned by a husband and wife the presumption is that the entity is a partnership, unless they elect for the entity to be disregarded. See IRC § 761(a) & (f). There would have to be additional facts suggesting a sham for us to disregard the wife as a partner. Each spouse should have reported his/her share of net earnings from self-employment, with appropriate adjustments. See, e.g., CCA 200816030. If you need assistance in calculating the SE figures, or any other matters, please let us know.